

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 702 - HB 1095**

March 15, 2023

**SUMMARY OF BILL AS AMENDED (004871):** Prohibits a temporary healthcare staffing agency from charging an amount for temporary healthcare staffing services that is grossly in excess of the price generally charged, upon the declaration of an abnormal economic disruption by the Governor, and continuing for a maximum of 15 calendar days. Excludes an individual who only engages, on the individual's own, to provide that individual's services on a temporary basis to healthcare facilities. Excludes agencies operated by a hospital, assisted-care living facility, or nursing home, or an affiliate of a hospital, assisted-care living facility, or nursing home, if the purpose of the agency is solely procuring, furnishing, or referring temporary or permanent direct care staff for employment at that healthcare provider, or any affiliates under common ownership.

Requires the Health Facilities Commission (HFC) to establish a licensing process for temporary healthcare staffing agencies, and requires a temporary healthcare staffing agency to register with the HFC on a yearly basis. Authorizes the HFC to charge a registration fee of up to \$5,000 per agency. Establishes minimum standards for temporary healthcare staffing agencies, including document retention and employee benefits. Requires a temporary healthcare staffing agency to provide records to certain governmental agencies, upon request. Establishes prohibited practices in employment and contracting by temporary healthcare staffing agencies. Requires a temporary healthcare staffing agency to submit a biannual report to the HFC regarding the operations of the agency.

Authorizes the HFC to revoke the registration of a temporary healthcare staffing agency that knowingly provides to a healthcare facility a direct care staff with an illegally or fraudulently obtained or issued diploma, registration, license, certificate, criminal records check, or other item required for employment by a healthcare facility. Authorizes the HFC to impose a fine of up to \$5,000 against a temporary healthcare staffing agency that violates the terms of the proposed legislation. Authorizes a temporary healthcare staffing agency to request a hearing to appeal a denial of an application for registration, revocation of registration, or an imposed monetary penalty.

**FISCAL IMPACT OF BILL AS AMENDED:**

**Increase State Revenue - \$160,100/FY23-24 and Subsequent Years/  
Health Facilities Commission**

**Increase State Expenditures - \$160,100/FY23-24 and Subsequent Years/  
Health Facilities Commission**

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Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 47-18-5103, price-gouging is prohibited for certain goods and services during a period of abnormal economic disruption, as declared by the Governor.
- Including temporary healthcare staffing in those services prohibited from price-gouging will not have a significant impact on the policies or procedures of the Department of Health or the Department of Commerce and Insurance.
- Any impact on the court system is estimated to be not significant.
- According to information provided by the HFC, the proposed legislation cannot be accommodated within existing resources.
- In order to appropriately license and monitor temporary healthcare staffing agencies, the HFC will require one additional Associate Counsel position beginning in FY23-24.
- There will be a recurring increase in state expenditures of \$160,085 (\$131,004 salary + \$29,081 benefits) in FY23-24 and subsequent years.
- The number of temporary healthcare staffing agencies that will be registered each year is unknown. However, it is assumed that the number of such agencies will be sufficient to offset the costs of administering this program with registration fees; therefore, there will be an increase in state revenue of \$160,100 in FY24-25 and subsequent years.
- There is not estimated to be a significant number of fines assessed to temporary healthcare staffing agencies for violating the proposed legislation.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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